



Department of Justice

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**GUILTY PLEAS IN GOVERNMENT'S PROBE OF IMMIGRATION
VIOLATIONS AT IFCO SYSTEMS**

ALBANY, NY – Richard S. Hartunian, United States Attorney for the Northern District of New York and Lev J. Kubiak, Special Agent in Charge (Buffalo) of U.S. Immigration and Customs Enforcement (ICE), announced today the guilty pleas of WILLIAM HOSKINS, 33, and TOMAS SOTO CASTILLO, 56, both of Cincinnati, OH. HOSKINS and SOTO CASTILLO, were former New Market Development managers for the Pallet Management Division of IFCO Systems North America ("IFCO"). HOSKINS pled guilty to a felony conspiracy to harbor illegal aliens and to encourage and induce illegal aliens to remain in the United States. SOTO pled guilty to a felony conspiracy to knowingly hire illegal aliens. Both HOSKINS and SOTO CASTILLO pled guilty before the Hon. Lawrence E. Kahn, in United States District Court in Albany, NY. SOTO CASTILLO pled guilty today; HOSKINS pled guilty on February 10, 2010. At sentencing, HOSKINS faces a potential sentence of up to 10 years imprisonment;

SOTO CASTILLO, up to 5 years imprisonment. Both defendants face the possibility of a fine of up to \$250,000.

On January 23, 2009, HOSKINS, SOTO CASTILLO, and five IFCO executives were indicted by a grand jury in the Northern District of New York for immigration, tax and social security related felony offenses. The IFCO managers who remain charged are: HASKELL “BUDDY” ROSS, of Lakeland, Florida (Senior Vice President – Human Resources); CHRISTOPHER TIESMAN, of Spring, Texas (Senior Vice President – Finance and Accounting); CHARLES DAVIDSON, of San Antonio, Texas (Vice President of New Market Development, formerly Director of New Market Development); KENNETH GINES, JR., of Spring, Texas (Controller – Pallet Services); and WENDY MUDRA, of Tampa, Florida (Human Resources Manager).¹ Trial is scheduled to commence on April 27, 2010, before Judge Kahn in Albany.

The prosecution stems from the government’s investigation of illegal immigration and employment-related practices at IFCO’s pallet management services plants, which procure, recondition and distribute wood pallets. The investigation began following a tip to ICE in February 2005, that illegal alien

¹ The charges are merely accusations and the defendants are presumed innocent until and unless proven guilty.

laborers at the Albany IFCO plant were observed ripping up their W-2 forms. On April 19, 2006, ICE agents, in concert with other federal and state authorities, conducted a work site enforcement action at over 40 IFCO pallet plants in 26 states, which resulted in the detention of 1,181 illegal aliens working at those plants.

The United States Attorney's Office has previously prosecuted several IFCO managers for criminal offenses associated with the employment of illegal alien workers at IFCO pallet plants. Including the guilty pleas announced today, eleven IFCO managers have entered pleas of guilty related to such criminal conduct and are awaiting sentencing. In December 2008, the United States reached a record corporate settlement with IFCO, pursuant to which the company agreed to pay \$20.7 million dollars in civil forfeitures and penalties over four years. The settlement amount included \$2.6 million dollars in back pay and penalties relating to IFCO's overtime violations with respect to 1,700 of its pallet workers. IFCO also agreed to pay \$18.1 million in civil forfeitures that will be available to support future law enforcement activities. IFCO has been fully compliant with the settlement agreement to date.

The criminal investigation is being conducted by ICE; the New York State Police; the Social Security Administration, Office of Inspector General; the

Internal Revenue Service, Criminal Investigation; and the U.S. Department of Labor, Wage and Hour Division.

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